ASSEMBLY BILL No. 2309

Introduced by Assembly Member Negrete McLeod

February 22, 2006

An act to amend Sections 31770.2, 31770.3, and 31770.5, relating to county employees retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 2309, as introduced, Negrete McLeod. County employees retirement: deferred retirement option program.

The County Employees Retirement Law of 1937 prescribes retirement benefits for members of specified county and district retirement systems. Existing law establishes the Deferred Retirement Option Program as an optional benefit program for specified safety members of those systems that, by ordinance or resolution by the county board of supervisors or the governing body, elect to adopt it.

This bill would, in Los Angeles County, provide that the Deferred Retirement Option Program would apply to eligible safety members of specified safety member classifications as those classifications may be specified or limited in the implementing ordinance. The bill would also make conforming changes in these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 31770.2 of the Government Code is
2 amended to read:

31770.2. Unless the context otherwise requires, the definitions contained in this section govern the construction of this article:

(a) "DROP" or "program" means the Deferred Retirement Option Program established by this article, as adopted by a county or district.

(b) "Election date" means the date the member elects to participate in the program.

(c) "Deferred retirement calculation date" means the date prior to the member's actual retirement date, as of which benefits under the program shall be calculated as provided in Section 31778.1.

(d) "Implementing ordinance" means the ordinance or resolution adopted by the county board of supervisors or governing board of the district, pursuant to Section 31770.3, providing for the implementation of the program in the county or district and specifying the applicable program options as provided in this article.

(e) ~~"Participant"~~ *(1) Except as provided in paragraph (2), "participant"* means any eligible safety member of the system described in Section 31469.4, 31470.2, or 31470.4 who has validly elected to participate in the program.

(2) In a county of the first class, "participant" means an eligible safety member of the system described in Section 31469.4, 31470.2, or 31470.4, as those classifications may be specified or limited in the implementing ordinance, who has validly elected to participate in the program.

(f) "Program account" means the account established by the system for each participant of the program pursuant to Section 31772.

(g) "Program period" means the period of time commencing on the election date and ending on the member's retirement date, which period may not exceed 60 months of elapsed time.

(h) "Retirement date" means the date the member terminates employment and retires from the system.

SEC. 2. Section 31770.3 of the Government Code is amended to read:

31770.3. (a) This article, or selected provisions of this article, shall become effective in any county or district only when the county board of supervisors or governing board of the district

adopts an ordinance or resolution providing for that implementation. The board of supervisors or governing board may not adopt that ordinance or resolution, and this article, or selected portions of this article, may not become effective in the county or district unless and until the actuarial analysis described in Section 31770.4 has been completed and has determined that the program, as proposed to be adopted by the county or district, will be cost neutral and agreed to in a collective bargaining agreement.

(b) Based on the actuarial analysis, the requirement of cost neutrality, and the collective bargaining agreement, the county or district shall, in the implementing ordinance, elect one of the following for each bargaining unit other than a bargaining unit whose members are described in Section 31470.4:

(1) To be subject to the provisions of this article, including the forward DROP provisions contained in Sections 31771 to 31776.5, inclusive, but excluding the actuarial equivalent DROP provisions contained in Section 31777 and excluding the backward DROP provisions contained in Sections 31778 to 31778.2, inclusive.

(2) To be subject to the provisions of this article, including the actuarial equivalent DROP provisions contained in Section 31777, but excluding the forward DROP provisions contained in Sections 31771 to 31776.5, inclusive, and excluding the backward DROP provisions contained in Sections 31778 to 31778.2, inclusive.

(3) To be subject to the provisions of this article, including the backward DROP options contained in Sections 31778 to 31778.2, inclusive, but excluding the forward DROP provisions contained in Sections 31771 to 31776.5, inclusive, and excluding the actuarial equivalent DROP provisions contained in Section 31777.

(c) With respect to a bargaining unit whose members are described in Section 31470.4, the county or district may, in the implementing ordinance, be subject only to the provisions of this article as provided in paragraph (3) of subdivision (b).

(d) ~~The~~ *(1) Except as provided in paragraph (2), the* program shall become operative with respect to all safety members of the system on the date specified in the implementing ordinance.

(2) In a county of the first class, the program shall become operative with respect to the safety members in safety member classifications as those classifications are specified or limited in the implementing ordinance on the date specified in the implementing ordinance.

(e) The implementing ordinance shall specify a period of time, which shall be at least four years and not more than 10 years from the date of implementation, after which an initial review of the program shall be conducted pursuant to Section 31779.

SEC. 3. Section 31770.5 of the Government Code is amended to read:

31770.5. (a) The implementing ordinance shall establish the eligibility requirements for participation in the program, subject to this section and the collective bargaining agreement. The ordinance shall specify the minimum age and the minimum and maximum, if any, years of service credit required to be eligible to participate in the program, which minimum and maximum, if any, may not be less than the minimum age and service credit requirements for service retirement. *If applicable, the ordinance shall also specify the eligible safety member classification and any limitations on that classification.*

(b) Members shall be eligible to elect to participate in the program at any time after the attainment of the minimum age and years of credited service in the system specified in the implementing ordinance. Members who satisfy the eligibility requirements on the implementation date of the program, as set forth in the implementing ordinance, shall be eligible to elect to participate in the program as of the operative date of the program.

(c) Prior service purchased pursuant to this chapter and service performed by the member under another public retirement system shall be included for purposes of determining eligibility for the program to the extent provided in Section 31836.

(d) Members who have left county or district service and who have elected deferred retirement pursuant to Article 9 (commencing with Section 31700) will not be eligible to participate in the forward DROP provisions unless they return to county service during the operative period of the program.

O